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STATEMENT
INSURANCE ASSOCIATION OF CONNECTICUT

Insurance and Real Estate Committee

February 10, 2009

SB 822, An Act Prohibiting Gender Discrimination For
Individual Health Insurance Policies

The IAC is opposed to SB 822, An Act Prohibiting Gender Discrimination For Individual Health Insurance Policies, as drafted. Due the broad definition of health insurance in the Connecticut statutes, it would appear that SB 822 might unnecessarily apply to long term care and disability products.

Long term care and disability products are specifically exempted out of the rating provisions for group products, see. C.G.S. Sec. 38a-354 et seq., therefore they should also be exempted from the rating provisions as set forth in SB 822.

Charging gender appropriate rates is very important to the financial management of individual disability income and long term care business and to maintain fairness and equity between classes of business.

Based upon actuarial experience, the difference between female and male claims is very large. For example, female disability income claim costs have historically averaged 50% or higher than male claims. Unisex rating would create premiums for females that are not commensurate with costs. Experience has shown that subsidized groups will result in driving up the cost of insurance for all purchasers of that product, potentially pricing people out of the market.

The IAC urges SB 822 be rejected as it applies to Long Term Care and Disability products.